



# Eligibility and Opt-In

The National Defense Authorization Act for Fiscal Year 2016 created a new military retirement system that blends the traditional legacy retirement pension (defined benefit) with a defined contribution to Service members' Thrift Savings Plan (TSP) accounts. The Blended Retirement System (BRS) goes into effect on Jan. 1, 2018. The TSP offers the same types of savings and tax benefits many private employers may offer their employees under 401(k) or similar retirement plans. The TSP is the same defined contribution plan thousands of Department of Defense (DoD) and federal government civilians take advantage of for their retirement savings.

As a Service member, it's important that you learn more about the BRS and the impact it may have on your financial future. Review the detailed information below to determine your eligibility, steps you should take if you are eligible, and resources you should investigate before making an irrevocable decision to opt into the BRS.

## Eligibility Basics

### Eligibility

- If you entered the Uniformed Services on or before Dec. 31, 2017, you are grandfathered into the legacy retirement system.
- If you are an active-duty Service member with fewer than 12 years of service as of Dec. 31, 2017, or a member of the National Guard or Reserve in a paid status who has accrued fewer than 4,320 retirement points as of Dec. 31, 2017, you are grandfathered under the legacy retirement system, but may choose to opt into the BRS.
- If you entered the Uniformed Services on or after Jan. 1, 2018, you are automatically enrolled in the BRS as your retirement plan.

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## If you are opt-in eligible:

One of the most important things you'll need to do in making a decision on whether or not to opt into the BRS is assess the likelihood that you will serve for at least 20 years. Bear in mind that if you do not serve that long and do not join the BRS, you will get neither a lifetime monthly annuity nor Service contributions to your TSP account.

If you think it's likely that you will serve 20 years or more, then you have other factors to consider:

- How many years of making contributions and receiving Service contributions will you have before retirement?
- Is it likely that these contributions and their earnings — along with any benefit you might get from continuation pay or the lump sum — will ultimately outweigh the amount you would give up as a result of the reduced monthly annuity?
- What is your tolerance for risk? Are you willing to follow a long-term strategy with the potential for substantial earnings?

**Get the facts.** Those eligible to opt into the BRS must take the mandatory BRS Opt-In Course. Training courses are available on Joint Knowledge Online (JKO), your Service's learning management system and on Military OneSource. All Service members who enter service on or after Jan. 1, 2018, are required to complete the Introduction to Your Retirement System Course.

**Calculate your options.** Calculate, compare and contrast retirement systems using the DoD BRS Comparison Calculator at <http://militarypay.defense.gov/Calculators/BRS/>.

**Make a decision.** If you're an eligible current Service member, you have an important decision to make between Jan. 1 and Dec. 31, 2018. You must decide whether to stay with your current retirement system or move to the new BRS. Once you make your choice, you won't be able to take it back, even if you change your mind before the Dec. 31, 2018, deadline.

## Resources

- **Learn** more about the BRS at <http://militarypay.defense.gov/BlendedRetirement>.
- **Explore** Military OneSource and other financial resources at <https://www.militaryonesource.mil>.
- **Locate** an accredited Personal Financial Manager or Counselor at your installation's Family Center, or search at <http://www.militaryinstallations.dod.mil>.

The choice is yours. The DoD position is that any decision to opt into BRS is the Service member's decision based on his or her individual circumstances.